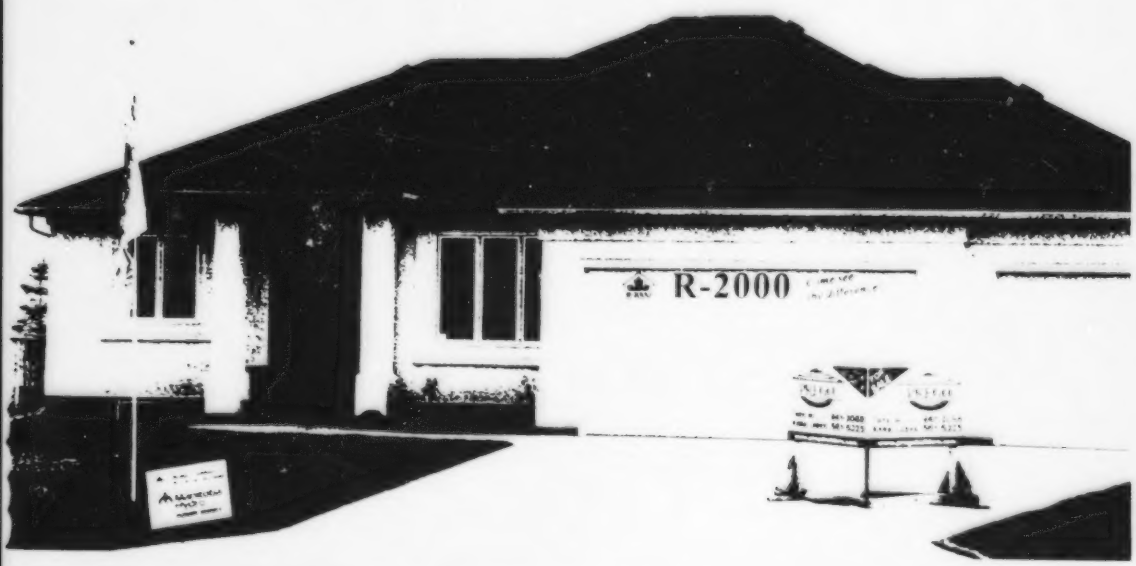
R-2000

The Mark of a Better Home

MANITOBA R-2000 HOME PROGRAM



1999-2000 ANNUAL REPORT

The Manitoba R-2000 Home Program is proudly supported by Natural Resources Canada and the following organizations:

Centra Gas
A subsidiary of Manitoba Hydro

Manitoba Hydro

Manitoba Conservation

100-07584/

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Cover Photo: Prego Builders Ltd.
1999 Parade of Homes show home

Executive Summary

This 1999/2000 annual report provides a review of the activities of the Manitoba R-2000 Home Program in accordance with the Contribution Agreement between Natural Resources Canada and Manitoba Conservation.

During 1999/2000, a total of 40 homes were enrolled in the R-2000 Program. These enrolments represent:

- a 10% decrease over last year's total of 44 homes; and
- approximately 2% of the single-detached family housing starts in Manitoba.

The Manitoba R-2000 Home Program has been working diligently towards completing the Builders Licensing agreements and the outstanding certifications. The Program acknowledges that:

1) the Builder Licensing agreements have been signed by all eligible R-2000 Builders; and
2) the backlog of pending certifications have been certified or closed out.

Since these major tasks have been accomplished, the Program can now maintain the files under normal management conditions.

The R-2000 Program was once again the only organization to offer training to the Manitoba residential building industry on energy-efficient, healthy, environmentally responsible design and construction techniques for new housing. The Builder Workshops and the Technical Update Sessions efforts included:

- a two-day Builder Workshop in Winnipeg (total attendance was 13); and
- a one-day Technical Update session in Brandon, Winnipeg and Thompson (total attendance was 29).

The evaluations received from the Builder Workshops and Technical Update Sessions revealed a high level of satisfaction among participants with the content as well as the quality of the instructors.

The marketing activities play a vital role in the delivery of the Manitoba R-2000 Home Program. Although the activities remain fairly consistent with the delivery of R-2000, the Program looks for opportunities to pursue new activities. Some of the marketing activities held during the year include:

- Open House events in Winnipeg (two), Roseau River, Onanole, and Swan River (total attendance was approximately 3,340);
- 1st Annual R-2000/Power Smart Builders awards;
- New Home Workshops held in nine different locations throughout the province (total attendance was 267);
- Four feature articles in the Winnipeg Free Press newspaper and two stories in other newspapers;
- Live remote appearance on a local morning show;
- Full-colour advertisement in the Pritchard Farm Estates magazine;
- Advertising campaign in several local newspapers;
- Co-op magazine advertising with R-2000 Builders;
- Advertising insert in the Manitoba Hydro monthly statement;
- Survey of all new homebuyers in the province; and
- Several promotional give-away items.

On the national level, the acceptance of the new technical R-2000 standards by the R-2000 Builders and the Manitoba R-2000 Home Program members occurred. Implementation of these standards should begin late 2000.

In January 2000, a national visioning session brought together former and intensely active R-2000 members from across Canada for the purpose of setting a direction for the program. All agreed R-2000 should remain the driving force for Canadian housing.

Earlier in the year, the National R-2000 Builders Committee began the process of finalizing the strategic and business plans for the R-2000 Program. The Manitoba members opposed several areas of both plans, which resulted in a formal letter to Natural Resources Canada and the Canadian Home Builders Association (CHBA). A positive response was received in October from CHBA recognizing the legitimacy of our concerns. Stemming from this issue, a provincial R-2000 Builders Committee was established to improve communication between Manitoba builders, the national committee and the R-2000 Program members in Manitoba.

The Manitoba R-2000 Home Program completed this year with a small surplus. Revenues were $85,853 narrowly exceeding expenditures of $83,255. As with previous years, the combined in-kind services provided by the Manitoba-based Program members far exceeded the value of their cash contributions.

The outlook for the Manitoba R-2000 Home Program in 2000/2001 is positive, although significant challenges are likely. They include:

- Marketing the energy savings of an R-2000 Home has become more difficult. Manitoba Building Code amendments have narrowed the difference between a 'conventional' new home and an R-2000 Home.
- The potential for increasing enrolments is modest unless more money and in-kind services are made available for marketing and administering the Program.
- The implications of the acquisition of Centra Gas by Manitoba Hydro and their availability of staff resources are not yet fully known.
- Housing starts in Manitoba remain below long-term averages.

Despite these challenges, the Program forecasts that continued improvements in marketing and program administration will result in total enrolments increasing by 20% in 2000/2001.

Introduction

Purpose of this Report

This report has been compiled to:

- comply with the requirements of Schedule C of the Contribution Agreement between Natural Resources Canada (NRCan) and Manitoba Conservation; and
- serve as a written review of the activities of the Manitoba R-2000 Home Program during the Program's fiscal year from April 1, 1999 to March 31, 2000.

It includes the contributions of the four Manitoba-based members. As a result, this report represents the views of the Manitoba R-2000 Home Program as a whole, rather than any one contributing organization.

R-2000

The Mark of a Better Home

R-2000 in Manitoba

Natural Resources Canada developed the R-2000 Program to encourage the construction of homes that are energy-efficient and environmentally responsible. Manitoba Conservation is licensed by Natural Resources Canada to operate the R-2000 Program in Manitoba on behalf of the Manitoba program Partners.

A committee called the Manitoba R-2000 Home Program Partners Committee has been formed. Its members guide delivery of the R-2000 Program in Manitoba and provide financial and operational support.

Committee members include one voting representative of:

- Centra Gas Manitoba – Jeff Beckman, Residential/Small Commercial Sales Representative;
- Construction Association of Rural Manitoba – Jack Cumming, General Manager;
- Manitoba Conservation – Randy Romas, Technical Advisor/R-2000 Program Manager;
- Manitoba Hydro – Tim Johnson, Residential Programs Technical Assistant; and
- Natural Resources Canada – Tim Mayo, National R-2000 Program Manager.

Manitoba Conservation has been designated as the Program Manager to look after the day-to-day operation of the R-2000 Program in Manitoba. Certain administrative and marketing tasks are assigned to the other Manitoba members.

Our Accomplishments

Program Activity - Enrolments

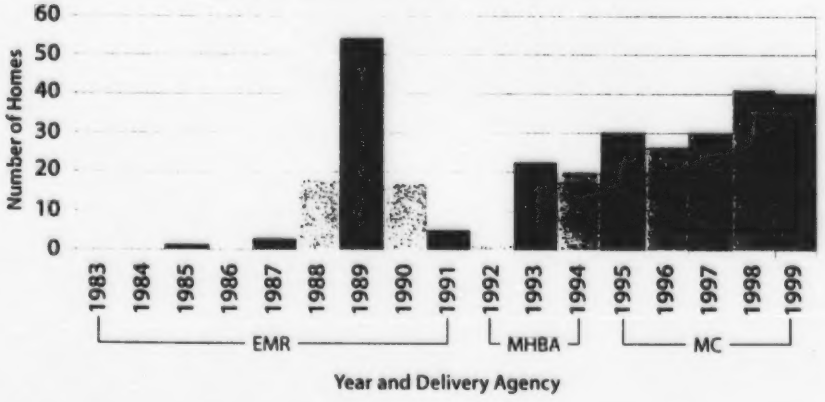
Program activity, as represented by enrolment numbers, was fairly similar to last fiscal year. A total of 40 homes were enrolled between April 1, 1999 and March 31, 2000. This represents:

- a 10% decrease over last year's total of 44 homes; and
- 1.8% of the single family detached housing starts in Manitoba.

The 1999/2000 business plan set a target of 55 enrolments based on the increased enrolment levels experienced in the three previous fiscal years. Even though funding and staff efforts remained consistent with previous fiscal years, the Program unfortunately did not record the same improvements in the level of activity. This may indicate that, with current program resources, penetration of the Manitoba new home construction market may have plateaued at 2%.

The 40 enrolments in 1999/2000 came from 27 different builders. Horizon Custom Builders provided the largest number of enrolments by a single builder by enrolling three homes. Four enrolments were from owner-builders who have taken R-2000 training and are constructing their own house. Eight enrolments were from builders constructing their first R-2000 Homes (Demo Home) after taking the training. These eight newly Licensed R-2000 Builders are enthusiastic about staying involved with the Program and producing more R-2000 certified homes. Therefore, these statistics are encouraging as they promise to represent future enrolments in the next fiscal year.

Manitoba R-2000 Home Certification Statistics



Legend: EMR - Energy, Mines and Resources
MHBA - Manitoba Home Builders Association
MC - Manitoba Conservation

Licensing and Certifications

The Program is pleased to report the completion of the Builder Licensing Agreements. All eligible R-2000 Builders have now signed Licensing Agreements and accepted their Builders Certificates. Copies of the signed Licensing Agreements have been filed with the national program office and company records have been updated in the FileMakerPro national electronic database.

During the year, Manitoba passed the two semi-annual file management audits performed by the Canadian Home Builders Association (CHBA) under its contract to NRCan. By passing these audits, the Program retains the confidence of the national office to enrol and certify R-2000 Homes in this province.

The backlogs of pending certifications from fiscal year's 1994/1995, 1996/1997 and 1997/1998 have been designated as either certified or closed out. This fiscal year (1999/2000) and the 1998/1999 year still have a number of open files under construction, which will be dealt with under normal file management proceedings.

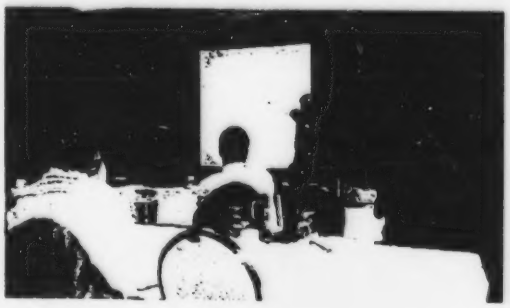
The Program processed 10 certified R-2000 Homes this year. All documentation was finalized, the certificates delivered and the data logged into the national database. A majority of these 10 certifications were from late enrolments in 1998/1999 and finished in 1999/2000. The Program experienced a period of low enrolments in the first half of 1999/2000, so consequently only a small number of enrolments reached the certification stage. The remainder of enrolments are working towards certification in the year 2000/2001.

Builder Training and Updates

Builder training remained an important program element during 1999/2000. The Manitoba R-2000 Home Program continued its role as the only organization offering training to the Manitoba residential building industry on energy-efficient, healthy, environmentally responsible design and construction techniques for new housing.

Builder Workshops

The Manitoba R-2000 Home Program continues to influence the way new homes are constructed in this province by training builders in R-2000 building techniques at the two-day R-2000 Builder Workshop. There are now 74 registered R-2000 Builders in Manitoba. This compares to 60 builder/developer members in the Manitoba Home Builders' Association.



right: Gary Proskiw (R-2000 Instructor) trains new contractors in R-2000 building techniques

As the majority of active builders in Manitoba have already successfully completed the two-day workshop, this training continues to fill a more limited role of training new contractor entries into the industry. This training attracts builders from areas of the province where no current R-2000 builders operate; general industry training of suppliers, building officials etc; and assists a limited number of homeowner builders.

Only one workshop was held in Winnipeg and had an attendance of 13. Of those, the attendees consisted of seven new builders, three building officials, two building material suppliers and one framing subtrade.

Technical Updates

Licensed and Registered R-2000 Builders must attend an Update Session at least once every two years. To satisfy this requirement, one-day sessions were offered during 1999/00 in:

- Brandon (attendance nine);
- Winnipeg (attendance 14); and
- Thompson (attendance six).

Topics covered were status of the Program, comparing R-2000 to the Manitoba Building Code amendments for energy efficiency, update on technical standards, HOT2000, new products, Heat Recovery Ventilation (HRV) installation, passive solar design, marketing, and general technical review.

left: R-2000 training schedule brochure informed builders of training opportunities.

Workshop Evaluations

Evaluations of the Builders Workshops and Update Sessions revealed a high level of satisfaction among participants with both the content and the quality of the instructors.

On a scale from 1 (weak) to 5 (outstanding), attendees rated:

- Builders Workshop's material and content 4.5, the instructor 4.8 and facilities 3.7.
- Technical Update Session's material and content 4.2, the instructor 4.5 and facilities 4.2.

Ratings for the material, content and instructor compared favourably with last year's workshop, which is attributable to the fact that the same two instructors delivered the same material. Unexpected, was the low facilities rating of 3.7 for the Builder's Workshop (down from 4.2 last year). In an effort to respond to builder feedback (last year's facility was less than desirable), an upgraded facility was used this year but didn't appear to improve perceptions of the classroom.

Positive written comments about the workshops were also received:

"Worthwhile for any builder";
"Very well done, I feel re-energized on selling the Program";
"Well thought out, well presented, I would recommend it for anyone involved in the industry";
"Definitely an eye-opener for anyone sitting on the fence";
"These updates are getting better every year covering more relevant material";
"Definitely captured my full attention."

The majority of builders noted that R-2000 is the only professional development training they have taken. As their major source of technical information, the R-2000 Program is viewed as a credible source of knowledge on current building practices and influences the way they build.

Registered builders who aren't actively enrolling R-2000 Homes still find value in attending the Builder's Workshop and Technical Updates, as the information is applicable to their everyday building practices.

Marketing Highlights

The goal of marketing efforts in 1999/2000 was to increase enrolment numbers and to increase the number of qualified consumer leads in the Program's database. Although enrolments decreased 10%, the number of qualified consumer leads increased by 20% during this fiscal year.

Open House Events

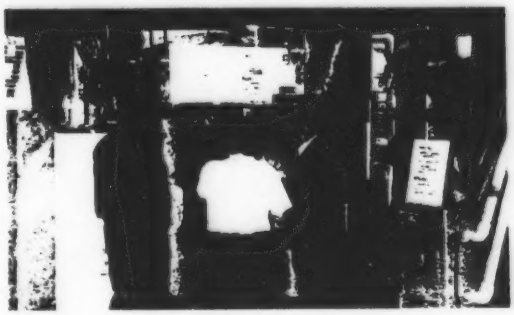
The value of the R-2000 Open House events during 1999/2000 was significant. Approximately 3,400 Manitobans visited an R-2000 Home. Of those who visited, about 250 consumers requested information about R-2000 and are now in the database for follow-up. This consumer contact and exposure will help to increase future enrolments in the Program.

Five Open House events were held in several locations throughout the province as opportunities presented. These events are one of the most successful ways of contacting consumers. The ability to physically see, touch and experience the quality R-2000 Home by a potential homebuyer is more compelling than any marketing efforts made through print advertising, at home shows or at workshops.

25 Elkhart Lane (Winnipeg)

This successful Sunday afternoon open house was held in June to feature Prego Builders newly completed R-2000 show home.

In advance of this event, a newspaper story was compiled and timed for release (on the date of the open house) as the front-page feature article in the Winnipeg Free Press, Sunday Homes section. This additional newspaper coverage, combined with warm, sunny weather, served to draw approximately 300 interested consumers to the open house over the space of five hours. Fifty consumers entered the draw for the door prize and requested an R-2000 information package.



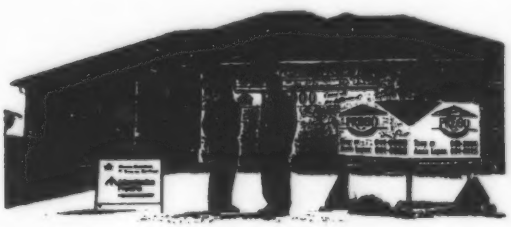
right: Tony Lopes from Prego Builders (far right), explains the heat recovery ventilation system to guests at the open house.

Prego Builders Show Home (MHBA Parade of Homes)

This marketing event took place during the annual Manitoba Home Builders Association's annual Fall Parade of Homes in September/October. During the two weeks the Parade was open, about 2,500 people visited the home. The fall Parade of Homes remains one of R-2000's largest marketing efforts of the year.

Unfortunately, this home was located some distance from other show homes entered in the Parade and therefore did not benefit from high traffic volumes experienced by multiple show homes in the same location. Surprisingly, consumer comments indicated that the visitors to this home specifically sought it out and were more determined to view its features. The somewhat smaller number of visitors were of higher quality. A prize draw served to collect over 140 consumer requests for further information on the R-2000 Program.

Prego Builders is a very quality conscious contractor who spared no expense on the details of this house. This attention to detail proved to be an excellent showcase for the highest quality of



R-2000 and other construction features. Consumer comments indicated they noticed the difference in construction between this and other homes in the Parade.

This was the Program's third consecutive year in the fall Parade of Homes. The number of repeat visits from people already on our database and familiar faces is increasing and the number of visitors who commented that they had not heard of the R-2000 Program continues to decline. The builder was pleased with R-2000's efforts to support marketing of his home.

Roseau River Reserve/CMHC Healthy House

The Manitoba R-2000 Home Program was fortunate to be invited by Canada Mortgage and Housing Corporation (CMHC) to participate in a Healthy House being constructed on the Roseau River First Nation south of Winnipeg.

The open house was not open to the general public, but rather served as a grand opening celebration for the residents of this reserve. Approximately 150 people attended the speech and ribbon cutting

far left: Tim Johnson, Manitoba Hydro (left) and Tony Lopes, Prego Builders (right) in front of the show home.

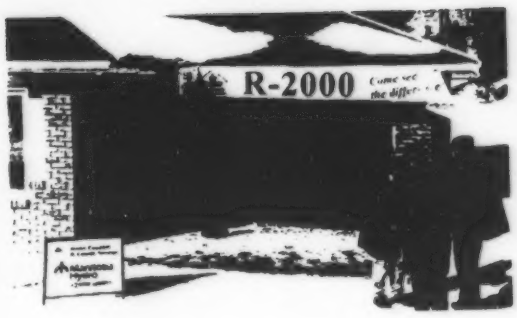
left: Gathering outside of the Roseau River/CMHC Healthy House.

ceremony followed by lunch and a dance at the community hall. This was an important event to make initial contact with this First Nations community which will hopefully lead to additional R-2000 housing units being built.

Fairmount Woodworking Spec Home (Onanole)

On a Sunday afternoon in February, an open house was held in the community of Onanole to assist in marketing Fairmount Woodworking's R-2000 Home, which was for sale. A warm, sunny afternoon, in conjunction with the wide distribution of the open house flyer, combined to draw 250 consumers to the home over the span of three hours. As Onanole is a smaller community, this event relied on successfully attracting consumers a fair distance from the surrounding communities.

Through the door prize draw, approximately 30 consumers requested an additional information



above: Randy Proven from Fairmount Woodworking (near right) discusses R-2000 benefits with guests.

above right: Exterior view of Fairmount Woodworking's display home.

right: Recipients of the Manitoba R-2000 Home Program/Power Smart Builders Awards -Front row (left to right): Pat Dixon, Op Knox Enterprises; Randy Proven, Fairmount Woodworking, and Tony Lopes, Prego Builders Ltd. Back row (left to right): Randy Romas, Manitoba R-2000 Home Program Manager; Tim Mayo, National R-2000 Home Program Manager; and Tim Johnson, Manitoba Hydro.

package on R-2000. As Fairmount is a dedicated believer in the principles of R-2000, this show home was extremely valuable in highlighting the energy efficiency of its double-wall design, environmentally friendly and healthy features.

Swan River

This open house, held in March, featured the first R-2000 Home built by DePenda Builders and served to introduce this company to the local area.

The event was held on a Saturday afternoon and attracted roughly 140 people. Twelve consumers requested additional written information on the R-2000 Program. The number of people attending and comments received were very encouraging, considering the out-of-town location of this home and the timing of a Saturday afternoon event. The builder made a number of potential contacts for future work and the R-2000 Program publicly reinforced its presence in this very special area of Manitoba. Due to the positive efforts and attitudes of local Swan River builders, R-2000 is very popular and awareness is high with the general public.

Builder Awards

The inaugural Manitoba R-2000 Home Program/Power Smart Builder Awards were held in March, courtesy of the consultation and financial support of NRCan. Three awards were presented at CARM's Annual Banquet in Brandon. Prego Builders was named the 1999 Builder of the Year. Fairmount Woodworking received an Award for Technical Merit and Op Knox Enterprises was recognized with an Outstanding Contribution Award.

Each award winner received an etched glass trophy and an R-2000 jacket, as well as being recognized in a newspaper advertisement following the award. Tim Mayo, National R-2000 Program Manager, attended the awards ceremony lending significant credibility to the event.

Response from the general building community has been very positive to this type of recognition event.

New Home Workshops

Between January and March 2000, nine New Home Workshops were held throughout the province. The workshop consists of a two-hour evening presentation on what to consider when planning or buying a new home. The workshops provide an excellent forum for the R-2000 Builders by bringing together and identifying potential customers. A yearly evaluation assists in planning and adding information to future workshops.

A total of 267 people attended the workshops, increasing participation by one third. R-2000 information packages were sent to 35 people.

These workshops are marketed and delivered by Manitoba Conservation at no direct cost to the Manitoba R-2000 Home Program.

Newspaper and Magazine Articles

Six newspaper articles were written this year involving the Program, which served to keep R-2000 fresh in consumers minds.

The Winnipeg Free Press featured four stories on R-2000 referring to energy-efficient doors, the HOT2000 computer program, Prego Builders show home and the Builder Awards. The Winnipeg Sun featured an article on Healthy Housing, and the Winnipeg Real Estate News printed an article on Buying an Energy Efficient Home.

The Program continues to maintain a relationship with the print media for coverage of R-2000 Homes and events.

A-Channel TV show "The Big Breakfast"

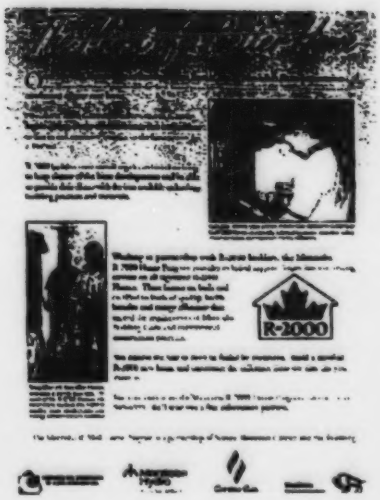
"The Big Breakfast," a local morning show on news and current events, did a live remote show from Milne Homes R-2000 show home. The two-hour show featured five segments (10 minutes in length) from the home, highlighting the builder and the R-2000 Homes' features and benefits.

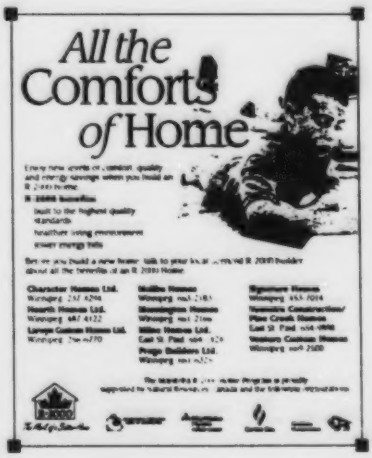
Both Milne Homes and the R-2000 Program received good exposure from this event.

Print Advertising

The R-2000 Program had two major pieces of print advertising this fiscal year.

At the request of an R-2000 Builder, a full page ad was purchased in a glossy advertising book for one of Manitoba's largest subdivisions – Pritchard Farm Estates. This book assists consumers in making a decision on a lot location and a builder in the subdivision. The subdivision is expected to expand, therefore this ad is estimated to have a long and effective shelf life.





Secondly, an ad campaign ran this spring coinciding with the time of year most homeowner's decide to build a new home. The advertisements were strategically placed in community newspapers in which active R-2000 Builders reside or service. The builders responded positively to this initiative.

Co-op Advertising

Licensed builders who carried the R-2000 logo and message in their company print advertising were eligible for a financial contribution by the

top left: New Home Workshop flyers announced workshop locations and dates to area residents.

top: R-2000 advertisement placed in the Pritchard Farm Estates magazine

above: Advertisement placed in the Winnipeg and rural newspapers listing the Licensed R-2000 Builders in the area.

Program towards the cost of their ads. A number of R-2000 Builders took advantage of this co-op advertising program and its popularity appears to be increasing as awareness improves.

consumer requests are only one benefit of this promotion, the cost/benefit analysis indicates the funds attributed to this initiative would be better allocated to other efforts next year.

above and above right: Licensed R-2000 Builders displayed R-2000 logos in their advertisements

far right: A bulletin promoting Licensed R-2000 Builders was enclosed in one of Manitoba Hydro's monthly bill mailings

Carrying the R-2000 logo in advertising placed by the builder is beneficial for the Program, but serves to support Licensed Builders and helps to differentiate themselves from the competition in the eyes of the consumers.

Manitoba Hydro Bill Insert

An R-2000 information pamphlet was mailed with Manitoba Hydro bills in March 2000. The Manitoba R-2000 Home Program covered printing costs for the insert, while Manitoba Hydro mailed the insert to over 300,000 residential customers. The insert listed Licensed R-2000 Builders in Manitoba and asked consumers to contact the Manitoba R-2000 Home Program for further information.

By the end of March 2000, only 30 consumers had contacted the Program to request more information. This number is significantly lower than previous year's responses. Even though

New Homebuyer Survey

A detailed survey was mailed to approximately 1,800 consumers who had purchased a new home within the last two years. The main objective was to identify the buying habits and motivators of recent new homebuyers. The Program received very good responses with 37% of the surveys returned.

The Program felt it was necessary to survey the R-2000 homeowners from fiscal year 1994/1995 to date. Again, the main objective was to identify the buying habits and motivators of R-2000 homeowners. The response rate on this survey was 77%.

The data was being analyzed at the printing of this report. The results should be tabulated and available by late July to assist with the marketing efforts for the coming year.

Marketing Support Services

Throughout the year, and especially after open house events, the Program distributes information packages to consumers upon request. The Program enlisted the services of an outside contractor to handle the follow-up telephone calls in order to qualify these consumer leads. A database has been developed to categorize these consumer leads.

As the database of consumer leads increases, the system of telephone follow-up calls and regular consumer contact will be intensified.

"Licensed Builder" Truck Decals

The Program continues to distribute the R-2000 "Licensed Builder" truck decals to licensed builders at no cost. The builder's response has been positive to this visible form of advertising.

This form of identification gives builders recognition and further differentiates them from their non-R-2000 competition.

Baseball Caps

R-2000 baseball-style caps were distributed to R-2000 Builders and other Program supporters. This type of promotional give-away to builders and supporters is well received and creates positive public awareness.

Travel Coffee Mugs

As a goodwill gesture during the Christmas season, the Program distributed stainless steel travel mugs to the 35 licensed builders. This type of promotional item creates a positive impression with builders.

Built for Living Campaign

Three applications were approved through the CHBA Built for Living Campaign supported by NRCan's Climate Change Action Fund. Funding was approved for the Manitoba R-2000 Home Program to create a new Web site, provide a province-wide advertising campaign and deliver a semi-annual newsletter.

These initiatives will significantly enhance the provincial marketing effort and will be delivered during the next fiscal year 2000/01.

above: Truck decals distributed to Licensed R-2000 Builders.

right: New brochure developed by CHBA in conjunction with NRCan's Climate Change Action Fund.

National Issues

New Technical Standards

In Manitoba, the R-2000 Builders and Program members participated in the process of updating the national technical standard under which all R-2000 Homes are built. Comments were gathered on the many individual proposed changes and forwarded to the National R-2000 Builders Committee.

The new standard was acceptable in its final draft form to the Manitoba Program and should be implemented later this year.

National Visioning Session

In January 2000, the Program participated in a national R-2000 Visioning Session. The session brought together former and intensely active R-2000 members, considered to be the "champions of R-2000," from across the country to meet in Toronto to attempt to set a future direction for the program.

A numbered of issues were discussed, but it was agreed that R-2000 should remain the flagship of Canadian housing.

CHBA National and Local R-2000 Builders Committee Activities

The National R-2000 Builders Committee was active in finalizing its proposed strategic and business plans for the R-2000 Home Program. Manitoba R-2000 Builders are represented on the national committee by Garry Dueck of G & E Homes. Both of these plans were delivered to the Minister of Natural Resources Canada in support of CHBA's request for additional R-2000 program funding.

The Program members in Manitoba opposed several areas of the national strategic and business plans proposed by the Builders Committee and voiced those concerns through a formal letter to NRCan and CHBA.

The chairman of the national CHBA R-2000 Builders Committee responded in writing to the concerns and recognized that differences exist in each province which must be accounted for and that more effective input into the national committee is required. The letter also recognized that some aspects of the plans would need modification when implemented to meet Manitoba's needs.

A second letter was received in October from the CHBA stating they do not advocate changes to any delivery or funding agreements for the Program here in Manitoba. This was a positive endorsement of the program, as a number of areas of the proposed business and strategic plans advocated changes in those areas.

The provinial R-2000 Builders Committee – (Seated Left to Right) Carey Chudley, CLC Carpentry; Doug Milne, Milne Homes; Doug Welchman, Northern Specialties; Pat Dixon, Op Knox Enterprises. (Standing Left to Right) Darrell Baschak, Baschak Construction; Mat Rockenstein, Juno Carpentry. Missing – Garry Dueck, G & E Homes.

To address these issues in the future, a provincial R-2000 Builders Committee has been established. This committee will influence the direction/delivery of R-2000 through improved communication between the Manitoba builders, the national committee and the R-2000 Program members in Manitoba. The committee members are:

• Darrell Baschak	Baschak Construction	Northern
• Carey Chudley	CLC Carpentry	South Western
• Doug Milne*	Milne Homes	Winnipeg & Interlake
• Mat Rockenstein	Juno Carpentry	South East & South Central
• Doug Welchman*	Northern Specialties	Parklands
• Garry Dueck	G & E Homes	National Builder Representative.
• Pat Dixon	Op Knox Enterprises	Professionals

* Committee co-chairmen

An inaugural meeting of the committee was held in January 2000 and successfully identified several challenges and made suggestions for more effective marketing and builder support.

Financial Report

1999/2000 Revenues and Expenditures

The Manitoba R-2000 Home Program ended fiscal 1999/2000 with a small surplus of $2,598.

Cash contributions from Natural Resources Canada and the four Manitoba members continue to provide most of the funds expended by the R-2000 Program in Manitoba:

Revenues

• NRCan	$35,000	(40.8%)
• Manitoba Hydro	15,000	(17.5%)
• Centra Gas	15,000	(17.5%)
• Manitoba Conservation	10,000	(11.6%)
• Training Fees	6,625	(7.7%)
• NRCan Reimbursement Builders Forum	1,596	(1.8%)
• NRCan Reimbursement Builders Awards	2,632	(3.1%)
	$85,853	

Cash expenditures by the Manitoba R-2000 Home Program continue to be dominated by marketing expenses and costs associated with certifying homes (i.e. HOT2000 design evaluations, airtightness tests, inspections, file management, etc.):

Expenditures

• Marketing	$49,315	(59.2%)
• Certification	18,127	(21.8%)
• Training	5,434	(6.5%)
• Administration	10,379	(12.5%)
	$83,255	

For a more detailed breakdown, see Appendix A – 1999/2000 Financial Statement on page 18.

In addition to the cash contributions noted above, each Manitoba Partner of the R-2000 Program contributes in-kind services (see next section for details). In total, the value of the in-kind services provided by the Manitoba Partners exceeds the value of their cash contributions.

In-Kind Contributions

• Conservation	$110,000
• Manitoba Hydro	10,000
• Centra Gas	8,000
• C.A.R.M.	10,000
	$138,000

1999-2000 In Kind Contributions and Revenues

In-Kind Contributions

Each Manitoba member brings significant support to the R-2000 Program, without which the Program would not be as strong. As previously noted, the value of these services exceeds the value of their cash contributions

Manitoba Conservation

Manitoba Conservation provides the "home" for R-2000 in Manitoba and is the largest provider of in-kind support for the Program in the province.

Manitoba Conservation in-kind services in 1999/2000, valued at $110,000, included:

- Voting member of the Manitoba R-2000 Home Program.
- Active participant in the Program's Management Committee.
- Providing overall program management, including the Program Manager (about .75 SY).
- Co-ordinating marketing efforts (about .25 SY).
- Staffing open house events.
- Supervising consumer lead processing by independent contractors.
- Developing, promoting and delivering of R-2000 Builder Workshops, Technical Update Sessions and New Home Workshops for consumers.
- Generating consumer and builder referrals through the Energy Answers Centre and Energy Advisory Service.
- Office space, clerical support and furniture.

Manitoba Hydro

Unlike some other North American electric utilities, Manitoba Hydro remains committed to a strong demand-side management program. R-2000 is a natural fit with Hydro's Power Smart Program and creates synergies that wouldn't be possible by either initiative on its own.

Manitoba Hydro's in-kind services to R-2000 during 1999/2000, valued at $10,000, included:

- Voting member of the Manitoba R-2000 Home Program.
- Active participant in the Program's Management Committee.
- Staffing open house events for electrically heated homes.
- Donating draw prize at open house events.
- Promoting R-2000 in Hydro's booth at trade and consumer shows.
- Bill insert for residential customers.
- Providing blower doors as required.
- Providing design evaluation, airtightness and inspection services.

Centra Gas

Most new single-family homes in Manitoba feature natural gas space and water heating. Natural gas appliances are also increasing in market share. Centra's involvement in R-2000 not only adds credibility to the Program, it provides a convenient forum to discuss issues of common interest with the other Manitoba partners.

In-kind support for R-2000 by Centra Gas during 1999/2000 was valued at $8,000 and included:

- Voting member of the Manitoba R-2000 Home Program.
- Active participant in the Program's Management Committee.
- Staffing open house events for homes heated with natural gas.
- Donating draw prizes for open house events.

- Promoting R-2000 in Centra's booth at trade and consumer shows.

Construction Association of Rural Manitoba

The Construction Association of Rural Manitoba's (CARM) support and influence brings a much needed private-sector view to the operation of the R-2000 Program in Manitoba. Since it is a voluntary program, marketed to private-sector builders, it is important that R-2000 not be perceived as a totally government-run program.

CARM's 1999/2000 in-kind services, valued at $10,000, included:

- Voting member of the Manitoba R-2000 Home Program.
- Active participant in the Program's Management Committee.
- Promoting R-2000 to rural Manitoba's construction industry.
- Listing registered R-2000 Builders, R-2000 Design Evaluators and HRAI-certified mechanical designers and installers in CARM's annual Membership Roster and Buyer's Guide.
- Staffing the R-2000 booth at trade and consumer shows.
- Providing space, equipment and assistance in organizing the R-2000 Builder Workshops and Update Sessions.
- Maintaining a 1-800-telephone line for R-2000 inquiries.

Appendix A

1999/2000 Financial Statement

Revenues

• NRCan		$35,000	
• Manitoba Hydro		15,000	
• Centra Gas		15,000	
• Manitoba Conservation		10,000	
• Training Fees		6,625	
• NRCan Reimbursement Builders Forum		1,596	
• NRCan Reimbursement Builders Awards		2,632	
	TOTAL REVENUES	**$85,853**	**$85,853**

Expenses

	Budget	**Actual**	
Administration			
• National Meeting	$1,200	$0	
• Stationery	1,000	1,539	
• General Office Expenses	2,500	5,030	
• Miscellaneous	2,000	2,053	
• Builders Forum	0	1,757	
	$6,700	**$10,379**	**$10,379**
Training			
• Instructors	1,400	1,500	
• Travel, Meals & Accommodations	525	315	
• Student Materials	1,380	1,717	
• Meeting Room Rental/Meals & Coffee Breaks	1,870	1,902	
	$5,175	**$5,434**	**$5,434**
Marketing			
• Print, Co-op & other advertising	8,000	19,322	
• Newsletter	5,000	0	
• Open Houses	15,000	14,000	
• Consumer Lead Processing	5,000	1,191	
• Builder Contact and Support	1,500	1,565	
• Promotional Give-aways	2,500	1,640	
• Builder Awards	0	2,629	
• Hydro Bill Insert	0	5,955	
• New Homebuyer Survey	0	3,013	
	$37,000	**$49,315**	**$49,315**
Certification			
• File Management Fees	34,750	16,620	
• Certificate Frames	1,000	1,507	
	$35,750	**$18,127**	**$18,127**
		TOTAL EXPENSES	**$83,255**
		SURPLUS	**$2,598**